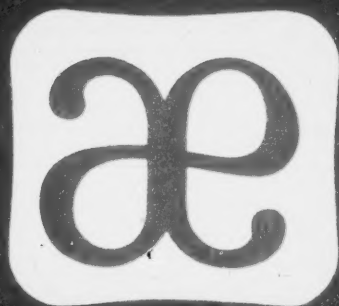




Agricultural Economics Report

NUMBER 364 JULY 1979

TELFARM

MICHIGAN FARM
BUSINESS ANALYSIS SUMMARY
ALL TYPES OF FARMS
1978 DATA

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MICHIGAN FARM BUSINESS ANALYSIS SUMMARY - 1978 DATA

By

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Table 1.

AVERAGE LABOR INCOME ON MICHIGAN
MAIL-IN RECORD FARMS, 1929-1978

1929 . . . \$ 585	1945 . . . \$2,483	1961 . . . \$3,309
1930 . . . -263	1946 . . . 3,370	1962 . . . 3,103
1931 . . . -676	1947 . . . 3,486	1963 . . . 2,644
1932 . . . -595	1948 . . . 2,735	1964 . . . 2,109
1933 . . . 249	1949 . . . 1,815	1965 . . . 2,403
1934 . . . 565	1950 . . . 2,688	1966 . . . 5,743
1935 . . . 764	1951 . . . 3,782	1967 . . . 4,916
1936 . . . 1,318	1952 . . . 2,926	1968 . . . 6,697
1937 . . . 569	1953 . . . 2,447	1969 . . . 6,910
1938 . . . 571	1954 . . . 1,755	1970 . . . 3,340
1939 . . . 780	1955 . . . 993	1971 . . . 2,698
1940 . . . 787	1956 . . . 2,646	1972 . . . 11,994
1941 . . . 1,675	1957 . . . 2,360	1973 . . . 31,184
1942 . . . 2,303	1958 . . . 3,426	1974 . . . 11,896
1943 . . . 1,900	1959 . . . 2,049	1975 . . . 1,303
1944 . . . 2,406	1960 . . . 2,339	1976 . . . 112
		1977 . . . -2,799
		1978 . . . 20,219

5-YEAR AVERAGES

1931-35 \$ 62	1956-60 \$2,564
1936-40 805	1961-65 2,746
1941-45 2,153	1966-70 6,523
1946-50 2,819	1971-75 11,815
1951-55 2,381	1976-78 5,844

SUMMARY OF THIS REPORT

The data in this report are the most detailed and accurate financial records available of what is happening on Michigan commercial farms. These figures are averages of actual records on 590 farms for the year 1978. The farms are also summarized by nine types of farms or enterprises.

The data can be studied to learn how profitable farming was last year. It shows which types of farms did best and how well. The averages can be compared with data from your farm to show strong and weak points in management results.

For those who wish to do forward planning, these results can be used as basic data and then adjusted for current conditions. Labor, machinery, building, services or supplies, land, and miscellaneous costs are stated per crop acre or per unit of livestock production. There are also data on production standards, feed fed, capital investments and hours of labor.

Data for this report is compiled from records of farm families enrolled in Telfarm. This is a management education program based on compiling and analyzing farm financial and production records. The farms are mainly commercial farms in Economic Classes I and II (over \$20,000 gross sales). Although 1,496 families were enrolled in Telfarm in 1978 less than half of the farms could be included in this report because of a mixture of enterprises or incomplete data.

TYPE OF FARM SUMMARY DATA

The standardized format of the summary tables in the Telfarm Business Analysis Reports is used for the data in the type of farm tables, pages 2 through 6. The line numbers are those used in the analysis summary. The data is the averages of all farms included. There may be some small variance in this data and that in individual reports due to editing.

Table 2.

SUMMARY: ALL TYPES AND SPECIALIZED DAIRY

Line No.	Item	590 All Type Farms			379 Dairy Farms		
		Total Farm	Crop Program Per Acre	Livestock Per \$1000 Gross	Total Farm	Per Acre	Per Cow
1.	Value of Production	\$152,445	\$207	\$535	\$152,465	\$169	\$1,021
	<u>Costs</u>						
2.	Labor	29,342	38	111	32,964	34	232
3.	Power & Machinery	34,697	64	62	33,844	62	110
4.	Improvements	12,997	17	47	13,697	18	81
5.	Crop Supplies	26,073	62	0	20,164	51	-
6.	Livestock Services	13,215	0	109	18,501	0	222
7.	Land Charge	22,114	51	5	18,688	45	9
8.	Other	4,255	3	25	4,274	2	42
9.	Total Cost	142,693	234	360	142,132	211	696
10.	Management Income	9,752	-27	175	10,333	-42	326
11.	Labor Income	20,219			22,423		
12.	Rate Earned Owned Cap.(%)	9.8			10.0		
	<u>Capital</u>						
19.	Total Owned Capital	\$425,478	\$745	\$907	\$412,746	\$699	\$1,616
26.	Total Rented Capital	111,279	262	5	79,932	200	5
27.	Total Capital	\$536,757	\$1,007	\$912	\$492,678	\$898	\$1,620
	<u>Labor</u>						
29.	Operator Labor, Hours	2,791			3,224		
30.	Family Labor, Hours	1,888			2,348		
31.	Hired Labor, Hours	2,725			2,882		
32.	Total Labor, Hours	7,404	9.5	\$28.05	8,455	8.77	59.60
35.	Income/Total Hour 1/32	\$ 20.59			\$ 18.03		
36.	Cost/Hour 9/32	19.27			16.81		
37.	Labor Income/Hr., Oper.	7.24			6.95		
56.	Total Tillable Acres				398.4		
	<u>Feed Fed</u>						
						Per Cow	
						Dollars	Quantity
60.	Corn	\$ 11,970			\$ 13,913	\$167	79 bu.
61.	Corn Silage	12,112			15,345	184	11 T.
62.	Oats	684			1,051	13	10 bu.
64.	Barley & Spelt	113			156	2	1 bu.
65.	Hay Equivalent	434			18,957	228	4.9 T.
67.	Pasture	524			805	10	
68.	Other (Supplement, Blend)	17,277			18,563	223	
69.	Total Feed Fed	\$ 55,997			\$ 68,790	\$827	
	<u>Dairy Factors</u>						
80.	Number of Cows				83.2		
81.	Milk Sold, Cwt.				11,848		14,232 lts.
82.	Milk Sales, \$				\$123,375	\$1,482	
83.	Cattle Income, \$				30,559	367	
86.	Non-Feed Cost				57,924	696	
89.	Percent Calf Death Loss				15.4		
90.	Price Received/cwt. milk				\$ 10.41		
91.	Net Cost/cwt. milk				9.57		
92.	Percent Excess Milk Sold				4.6		

Table 3.

CATTLE FEEDING AND BEEF COW

Line No.	Item	18 Cattle Feeding			4 Beef Cow Farms		
		Total Farm	Per Acre	Per Cwt	Total Farm	Per Acre	Per Cow-Unit
1.	Value of Production	\$ 287,823	\$ 225	\$ 36.51	\$162,341	\$ 113	\$ 319
	<u>COSTS</u>						
2.	Labor	27,355	26	2.63	11,108	26	23
3.	Power and Machinery	49,377	60	2.04	13,926	35	12
4.	Improvements	18,153	15	2.11	1,879	3	10
5.	Crop Supplies	48,466	69	-	12,605	33	0
6.	Livestock Services	21,901	-	6.14	3,372	0	55
7.	Land Charge	43,868	61	.27	6,547	17	1
8.	Other	4,141	4	.31	1,290	3	5
9.	Total Cost	\$ 213,261	\$ 235	\$ 50	\$ 50,727	\$117	\$ 106
10.	Management Income	74,561	-11	23.01	11,614	-4	213
11.	Labor Income	84,081			17,784		
12.	Rate Earned Owned Cap. (%)	16.3			14.8		
	<u>CAPITAL</u>						
19.	Total Owned Capital	\$ 843,244	\$ 798		\$157,998	318	\$ 614
26.	Total Rented Capital	295,605	421		28,650	76	0
27.	Total Capital	\$1,138,849	\$ 1,219		\$186,648	\$394	\$ 614
	<u>LABOR</u>						
29.	Operator Labor, Hours	2,538			1,645		
30.	Family Labor, Hours	2,046			759		
31.	Hired Labor, Hours	2,151			673		
32.	Total Labor, Hours	6,735	6.3	.65	3,077	7	6
35.	Income/Total Hours 1/32	\$ 42.74			\$ 20.26		
36.	Cost/Hour 9/32	31.66			16.49		
37.	Labor Income/Hr., Oper.	33.12			10.81		
56.	Total Tillable Acres	701.6			379		
	<u>FEED FED</u>						
60.	Corn	\$ 37,837		\$10.62	\$ 14	\$ 0	.1 bu.
61.	Corn Silage	51,149		14.35	56	1	.05 T.
62.	Oats, Barley, Spelt	374		.10	0		bu.
65.	Hay Equivalent	5,281		1.48	6,092	100	2.4 T.
67.	Pasture	141		.04	3,682	60	2.5 T.
68.	Other (Sup., Blend)	18,314		5.14	2,640	43	
69.	Total Feed Fed	\$ 113,096		\$ 31.73	\$10,998	\$204	
	<u>CATTLE FACTORS</u>						
100.	Number of Cows, or Head				61		
101.	Calves Born				63		
104.	Percent Calf Death Loss				5.6		
105.	Cwt. Beef Produced	3,564			309		
			No. Cwt.				
120.	Ending Inventory	\$ 276,240	4,478	\$ 61.69			
121.	Sales	413,488	7,621	54.26			
123.	Sales & Ending Inventory	689,728	12,099				
124.	Beginning Inventory	178,263	4,215	42.30			
125.	Cattle Purchased	268,328	4,319	62.13			
126.	Purchases & Beg. Inventory	446,591	8,534				
127.	Value of Production	243,136	3,564		\$30,990	\$608	
130.	Non-feed Cost	48,123			6,465	106	
131.	Total Cost (69 + 130)	\$ 161,219		\$	\$17,463	\$310	

Table 4.

SWINE AND POULTRY

Line No.	Item	30 Swine Farms			5 Poultry Farms		
		Total Farm	Crops/Acre	Per Cwt Gain	Total Farm	Crops/Acre	Per 100 Hens
1.	Value of Production	\$172,543	\$156	\$ 27.63	\$ 215,202	\$246	\$212
	<u>COSTS</u>						
2.	Labor	23,029	22	3.58	36,140	6	61
3.	Power and Machinery	35,701	62	2.60	76,702	81	80
4.	Improvements	16,655	17	2.42	14,193	15	2
5.	Crop Supplies	29,341	71	-	28,841	70	0
6.	Livestock Services	10,672	-	2.71	7,013	0	13
7.	Land Charge	20,669	48	.27	18,016	40	3
8.	Other	6,070	3	1.25	14,146	2	24
9.	Total Cost	\$142,136	\$223	\$ 12.83	\$ 204,660	\$211	\$218
10.	Management Income	\$ 30,407	\$-68	\$ 14.80	\$ 10,542	\$ 35	\$ -6
11.	Labor Income	39,782			21,668		
12.	Rated Earned Owned Cap. (%)	14.3			9.0		
	<u>CAPITAL</u>						
19.	Total Owned Capital	\$445,683	\$713		\$ 687,560	\$888	\$603
26.	Total Rented Capital	99,707	241		41,485	104	
27.	Total Capital	\$545,390	\$954		\$ 729,045	\$992	\$603
	<u>LABOR</u>						
29.	Operator Labor, Hours	2,500			2,967		
30.	Family Labor, Hours	1,173			2,284		
31.	Hired Labor, Hours	2,020			3,269		
32.	Total Labor, Hours	5,694	5.39	.88	8,520		14.3
35.	Income/Total Hours 1/32	\$ 30.30			\$ 25.26		
36.	Cost/Hour 9/32	24.96			24.02		
37.	Labor Income/Hour, Oper.	15.91			7.30		
56.	Total Tillable Acres	410.8			398		
	<u>FEED FED</u>						
				Per Cwt. Gain			Per Cwt. Gain
				Dollars Quantity			Dollars Quantity
60.	Corn	\$ 44,080	\$11.21	5.9bu.	\$ 83,478	\$151	77 bu.
62.	Oats and Barley	999	.25		563	1	.8 bu.
65.	Hay Equivalent	1,128	.29				
67.	Pasture	218	.06				
68.	Other (Sup., Blend)	48,978	12.45		266,873	482	
69.	Total Feed Fed	\$ 95,403	\$24.26		\$ 350,914	\$634	
	<u>HOG FACTORS</u>						
				No. Cwt.			
144.	Sales, Ending Inventory	\$272,713		5,384			
148.	Purchases, Beg. Inventory	68,766		1,452			
149.	Value of Production	203,947	\$51.87	3,932			
150.	Non-Feed Cost	50,449	12.83				
151.	Total Cost	145,852	37.10				
152.	Number of Litters Farrowed	253					
155.	Pigs Weaned Per Litter	7.6					
	<u>POULTRY FACTORS</u>						
						Per Hen	Per Dozen
170.	Number of Hens				55,352		
171.	Eggs Sold, Dozen				1,181,686	21.35	
172.	Percent Production				70.19	-	
173.	Egg Sales				\$497,859	8.99	\$.42
174.	Total Income				497,859	8.99	.42
175.	Flock Use Cost				29,698	.54	.03
176.	Feed Cost				350,914	6.34	.30
177.	Other Costs				120,539	2.18	.10
178.	Total Costs				501,150	9.05	.43
179.	Net Return				-3,291	-.06	-.01

Table 5.

SAGINAW VALLEY CASH CROP AND CASH GRAIN

Line No.	Item	41 Saginaw Valley		67 Cash Grain	
		Total Farm	Per Acre	Total Farm	Per Acre
1.	Value of Production	\$123,105	\$ 218	\$115,248	\$ 206
	<u>COSTS</u>				
2.	Labor	16,607	29	14,522	26
3.	Power and Machinery	36,384	65	32,011	57
4.	Improvements	10,617	19	9,223	16
5.	Crop Supplies	38,898	69	36,438	65
6.	Livestock Services	40	0	154	-
7.	Land Charge	38,939	69	31,268	56
8.	Other	2,391	4	2,972	5
9.	Total Cost	\$143,876	\$ 255	\$126,593	\$ 226
10.	Management Income	\$-20,771	\$ -37	\$-11,345	\$ -20
11.	Labor Income	-12,654		-4,992	
12.	Rate Earned Owned Cap. (%)	3.4		4.71	
	<u>CAPITAL</u>				
19.	Total Owned Capital	\$613,124	\$ 910	\$407,127	\$ 728
26.	Total Rented Capital	304,070	539	199,075	356
27.	Total Capital	\$817,194	\$1,449	\$606,202	\$1,084
	<u>LABOR</u>				
29.	Operator Labor, Hours	2,165		1,694	
30.	Family Labor, Hours	1,025		734	
31.	Hired Labor, Hours	1,073		1,127	
32.	Total Labor, Hours	4,262	7.56	3,555	6.35
35.	Income/Total Hour 1/32	\$ 28.88		\$ 32.42	
36.	Cost/Hour 9/32	33.75		35.61	
37.	Labor Income/Hour, Oper.	-5.85		-2.95	
38.	Total Tillable Acres	564.1		559.5	
	<u>CROP YIELDS, OWNED ACRES</u>		% of TA		% of TA
40.	Corn, Bu.	109	29	103	45
42.	Oats, Bu.	77	3	69	2
44.	Hay Equivalent, Tons	3.8	1	2.4	2
47.	Wheat Bu.	52	5	51	7
48.	Sugar Beets Ton	19.3	11	-	-
49.	Navy Beans, Cwt.	12.9	23	12.4	10
54.	Soybeans Bu.	31.6	14	30.4	20
55.	Cucumbers, Bu.	132.9	2	-	-
180.	Total Investment/Man	\$575,159		\$511,530	
181.	Operator's Investment/Man	361,148		343,546	
182.	Value of Production/Man	86,644		97,249	
183.	Value of Production/\$100 Cost	86		91	
184.	Value of Prod./\$1000 Mach. Invest.	1,625		1,614	
185.	Total Tillable Acres/Man	397		472	

Table 6.

POTATO AND FRUIT

Line No.	Item	19 Potato		30 Fruit (all types)	
		Total Farm	Per Acre	Total Farm	Per Acre
1.	Value of Production	\$167,278	\$ 533	\$166,313	\$ 875
	<u>COSTS</u>				
2.	Labor	30,220	96	40,954	216
3.	Power and Machinery	43,484	139	30,595	161
4.	Improvements	10,280	33	10,962	58
5.	Crop Supplies	68,927	194	24,619	130
6.	Livestock Services	42	-	67	-
7.	Land Charge	18,690	60	17,527	92
8.	Other	9,968	32	3,054	16
9.	Total Cost	\$173,611	\$ 554	\$127,778	\$ 672
10.	Management Income	\$ -6,333	\$ -20	\$ 38,535	\$ 203
11.	Labor Income	140		45,707	241
12.	Rate Earned Owned Cap. (%)	5.9		21.9	
	<u>CAPITAL</u>				
19.	Total Owned Capital	\$389,591	\$1,241	\$267,979	\$1,410
26.	Total Rented Capital	33,815	108	18,009	95
27.	Total Capital	\$423,406	\$1,349	\$285,988	\$1,505
	<u>LABOR</u>				
29.	Operator Labor, Hours	1,726		1,913	
30.	Family Labor, Hours	1,252		783	
31.	Hired Labor, Hours	4,578		6,392	
32.	Total Labor, Hours	7,556	-24	9,088	47.83
35.	Income/Total Hour (1/32)	\$ 22.14		\$ 18.30	
36.	Cost/Hour (9/32)	22.98		14.66	
37.	Labor Income/Hour, Oper.	.08		23.90	
38.	Total Tillable Acres	314		190	
	<u>CROP YIELDS, OWNED ACRES</u>		<u>% of TA</u>		<u>% of TA</u>
40.	Corn, Bu.	108	9	-	-
47.	Wheat, Bu.	36.9	4	-	-
48.	Potatoes, Cwt.	241	49	-	-
49.	Apples, Bu.			409	-
50.	Sweet Cherries, Ton			3.4	18
51.	Tart Cherries, Ton			2.4	8
52.	Grapes, Ton			6.2	21
53.	Peaches, Bu.			143	3
54.	Pears, Bu.			166	2
55.	Plums, Ton			3.7	1
180.	Total Investment/Man	\$168,108		\$ 94,407	
181.	Operator Investment/Man	154,682		88,462	
182.	Value of Production/Man	66,415		54,902	
183.	Value of Production/\$100 Cost	96		130	
184.	Value of Prod./\$1000 Mach. Invest.	2,086		3,056	
185.	Total Tillable Acres/Man	125		63	

Table 7.

EARNINGS ON MICHIGAN TELFARM RECORD FARMS BY TYPE OF FARM FOR 1974-1978

Items	All Farms	Dairy	Saginaw Valley Cash Crop	Cash Grain	Cattle Feeding	Beef Cow	Swine	Potato	Poultry	Tree Fruit
Labor Income										
1978	\$ 20,219	\$ 22,423	\$ -12,654	\$ -4,992	\$ 84,081	\$ 11,614	\$ 39,782	\$ 140	\$ 21,668	\$ 45,707
1977	-2,799	-3,539	-5,488	-11,590	-18,344	-25,153	759	-3,289	39,452	33,461
1976	112	3,021	-18,706	-11,256	-57,258	-26,727	5,490	-243	6,749	5,615
1975	1,303	-2,852	19,851	1,403	26,354	-7,399	32,795	22,909	3,987	-8,763
1974	11,896	7,579	53,930	13,634	-31,631	-6,310	6,049	44,810	22,403	26,540
5 Year Average: 1974-1978	6,146	5,326	7,387	-2,560	640	-10,795	16,975	12,065	18,852	20,511
Rate Earned on Investment:										
1978	9.8%	10.0%	3.4%	4.7%	16.3%	14.8%	14.3%	5.9%	9.0%	21.9%
1977	4.0%	3.4%	4.7%	2.1%	3.8%	-9.9%	5.2%	5.6%	12.7%	18.6%
1976	4.8%	5.2%	1.0%	2.0%	-2.2%	-20.1%	6.7%	8.7%	6.6%	7.1%
1975	4.9%	3.0%	10.4%	6.4%	10.4%	-5%	15.0%	11.2%	5.5%	-5%
1974	8.3%	6.3%	19.4%	10.5%	.3%	.5%	6.2%	17.2%	14.1%	17.4%
5 Year Average: 1974-1978	6.4%	5.6%	7.8%	5.1%	6.1%	-3.0%	9.5%	9.7%	9.6%	12.9%

Table 8

VALUE OF FARM PRODUCTION FROM VARIOUS SOURCES FOR MICHIGAN TELFARM RECORD FARMS BY TYPE, 1978

Items	All Farms	Dairy	Saginaw Valley Cash Crop	Cash Grain	Cattle Feeding	Beef Cow	Swine	Potato	Poultry	Tree Fruit
Number of Farms	590	379	41	67	18	4	30	19	5	30
Dairy Cattle	\$ 19,501	\$ 30,559	\$ 116	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hogs	10,391	-	-16	-	-	-	203,947	-	-	-
Beef Cattle	-8,672	-128	185	-	243,189	30,990	-	-	-	-
Other Livestock	1,222	-	-	333	34	-	91	497	-29,698	233
Feed Crops	14,788	-	37,942	57,750	19,647	6,939	5,355	8,728	-	461
Cash Crops	37,619	-	77,041	50,091	37,375	23,955	8,271	156,228	485	161,787
Dairy Products	49,246	123,375	-	-	-	-	-	-	-	-
Eggs	4,221	-	-	-	-	-	-	-	497,859	-
Custom Income	997	650	2,806	1,712	1,157	130	592	798	1,303	1,361
Government Payments	2,358	2,340	2,423	4,049	3,321	1,890	1,999	571	2,180	294
Other Income	27,177	27,424	-2,667	1,313	1,505	1,078	1,239	456	111	1,677
Purchased Feed	17	-18,563	-	-	-18,315	-2,641	-48,951	-	-257,044	-
Value of Farm Production	\$ 152,445	\$ 152,465	\$ 123,164	\$ 115,396	\$ 287,823	\$ 62,341	\$ 172,543	\$ 167,278	\$ 215,201	\$ 166,313

Table 9.

CASH AND NONCASH COSTS FOR MICHIGAN TEFARM RECORD FARMS BY TYPE, 1978

Items	All Farms	Dairy	Saginaw Valley Cash Crop	Cash Grain	Cattle Feeding	Beef Cow	Swine	Potato	Poultry	Tree Fruit
Number of Farms	590	379	41	67	18	4	30	19	5	30
<u>Labor:</u>										
Operator's	\$ 10,467	\$ 12,090	\$ 8,117	\$ 6,353	\$ 9,519	\$ 6,170	\$ 9,375	\$ 6,473	\$ 11,126	\$ 7,172
Family	7,078	8,806	3,843	2,754	7,672	2,845	4,401	4,695	8,565	2,937
Hired	11,796	12,068	4,646	5,415	10,163	2,093	9,253	19,052	16,448	30,845
<u>Power and Machinery:</u>										
Repairs and Supplies	7,176	7,392	6,290	5,778	11,011	1,576	6,564	8,714	9,328	6,475
Auto & Truck Upkeep	1,119	913	1,875	1,161	1,864	414	1,364	1,774	1,178	1,520
Gas and Oil	4,317	4,236	5,401	3,623	7,189	1,410	4,061	6,106	4,165	3,383
Lease & Custom Hire	2,061	1,697	2,282	3,012	2,727	826	2,250	4,376	3,273	2,052
Depreciation	14,339	13,986	14,855	13,080	18,671	7,225	15,294	16,502	39,230	13,082
<u>Improvements:</u>										
Conservation	335	309	141	568	520	44	280	493	62	315
Repairs	1,458	1,698	639	743	1,199	188	2,023	1,187	266	1,267
Insurance	1,453	1,472	1,212	1,284	1,970	355	1,787	1,893	2,459	1,125
Depreciation and Lease	5,013	5,380	4,519	3,469	7,359	738	6,320	3,715	13,258	2,102
Tree Depreciation	156	-	-	-	239	-	-	-	-	2,885
<u>Crop Expense:</u>										
Fertilizer and Lime	12,514	10,585	21,953	17,545	24,530	5,267	13,788	14,739	12,611	5,387
Supplies and Packages	296	217	163	128	87	76	-	3,256	-	532
Seeds and Plants	4,243	3,260	5,250	5,991	5,763	4,399	4,229	18,633	2,746	1,745
Spray Material	4,215	2,574	5,468	5,732	9,365	1,775	4,977	13,067	4,891	10,497
Marketing	270	58	572	563	89	69	9	2,183	-	1,158
Other + Dryer & Irr. Fuel	601	257	1,126	1,812	394	38	2,167	253	1,931	246
<u>Livestock Expense:</u>										
Breeding Fees	870	1,349	-	-	-	128	44	-	-	-
Veterinary and Medicine	1,730	2,275	-	-	2,875	292	3,334	-	527	-
Livestock Marketing	3,702	-	-	-	1,317	394	881	-	-	-
Milk Marketing	898	5,625	-	-	-	-	-	-	-	-
Other	1,280	3,279	13	111	665	49	719	19	365	68
<u>Other Expenses:</u>										
Taxes	3,957	3,592	5,941	4,787	7,211	1,099	4,332	3,044	4,744	2,707
Utilities	2,932	3,392	1,122	1,175	1,661	659	4,815	3,639	9,438	1,343
Other	1,323	883	1,269	1,796	2,480	629	1,255	6,328	4,709	1,712
<u>Charge for Assets:</u>										
Rent	5,192	3,783	8,695	9,178	13,533	118	5,188	4,250	1,773	7,125
Interest	10,636	9,767	12,569	11,922	31,640	3,061	12,291	4,191	25,216	5,990
Interest on Owned Assets	21,275	21,189	25,915	18,613	31,603	8,789	21,135	25,029	26,351	14,108
Cost of Farm Production	\$ 142,693	\$ 142,132	\$ 143,876	\$ 126,593	\$ 213,261	\$ 50,727	\$ 142,136	\$ 173,611	\$ 204,660	\$ 127,778

Table 10.

CASH INCOME, EXPENSES AND CAPITAL PURCHASES FOR
MICHIGAN TELFARM RECORD FARMS BY TYPE, 1978

Items	All Farms	Dairy	Saginaw Valley Cash Crop	Cash Grain	Cattle Feeding	Beef Cow	Swine	Potato	Poultry	Tree Fruit
Number of Farms	590	379	41	67	18	4	30	19	5	30
Cash Farm Income	\$163,753	\$156,958	\$122,546	\$109,631	\$475,022	\$ 47,060	\$ 214,937	\$149,053	\$549,018	\$ 146,797
Reported Net Nonfarm Income	2,568	1,768	3,454	5,814	2,353	11,055	1,980	2,700	4,176	3,938
Machinery and Improvement Sales	2,434	1,873	6,372	7,004	942	25	1,982	1,188	270	2,007
Total Cash Income	\$168,755	\$160,599	\$132,372	\$122,449	\$478,317	\$ 58,140	\$218,899	\$152,941	\$553,464	\$ 152,742
Cash Expenses	\$106,566	\$104,104	\$ 88,074	\$ 84,360	\$172,677	\$ 28,594	\$ 154,458	\$116,238	\$378,942	\$ 85,170
Items for Resale	9,519	394	346	3,032	269,389	0	2,908	189	57,418	745
Depreciable Livestock Purchases	3,014	4,436	0	178	0	1,234	2,752	0	0	0
Machinery Purchases	24,314	24,193	21,611	20,358	37,866	6,930	24,439	21,744	108,871	21,293
Improvement Purchases	10,554	9,916	12,021	9,069	11,086	0	27,635	8,536	7,413	9,620
Land Purchases	4,972	4,503	7,027	16,897	0	0	1,249	0	5,100	1,044
Total Cash Spent	\$158,939	\$147,546	\$129,079	\$133,894	\$491,018	\$ 36,758	\$213,441	\$146,767	\$557,744	\$ 117,872
Net Cash for Family Living & Principal Payments Additional Borrowing not Included.	\$ 9,816	\$ 13,053	\$ 3,293	\$ -11,445	\$ -12,701	\$ 24,382	\$ 5,458	\$ 6,174	\$ 4,280	\$ 34,870

Table 11.

KINDS OF CROPS, PERCENTAGES OF LAND IN DIFFERENT CROPS,
AND YIELDS ON MICHIGAN TELFARM RECORD FARMS BY TYPE, 1978

Items	All Farms	Dairy	Saginaw Valley Cash Crop	Cash Grain	Cattle Feeding	Beef Cow	Swine	Potato	Poultry	Tree Fruit
Number of Farms	590	379	41	67	18	4	30	19	5	30
Tillable Acres	424	398	564	560	702	379	411	314	398	190
Percent of Tillable Acres:										
Corn	33.4	29.6	28.8	45.3	40.9	-	69.5	9.1	88.8	1.3
Corn Silage	12.0	17.3	-	.4	29.2	-	-	-	-	-
Oats	3.9	4.6	3.2	2.4	2.7	6.7	2.5	11.2	-	-
Wheat	3.4	2.2	5.2	7.0	4.2	.5	5.3	4.1	2.6	-
Other Grain	.9	1.0	.5	.2	.2	5.0	.7	-	-	-
Hay	20.4	32.3	.4	1.6	4.3	29.9	2.7	-	-	-
Pasture	3.5	5.0	-	.2	.3	42.0	-	-	-	-
Sugar Beets	1.1	-	11.5	-	-	-	2.8	-	-	-
Potatoes	1.3	-	-	-	-	9.6	-	48.6	-	-
Field Beans	5.3	.6	27.7	12.4	4.7	-	.7	9.8	-	-
Soybeans	6.0	1.7	14.1	20.2	6.9	-	7.0	-	-	17.4
Apples	.4	-	-	-	.5	-	-	-	-	28.6
Cherries	.7	-	-	-	.4	-	-	-	-	1.5
Peaches	-	-	-	-	-	-	-	-	-	.8
Pears	-	-	-	-	-	-	-	-	-	37.1
Other Crops	2.1	.9	3.9	5.6	1.8	-	.4	-	-	-
Diverted Acres	3.8	3.5	4.3	4.9	3.2	-	5.7	-	4.1	13.3
Idle Tillable	1.8	1.3	.4	1.8	.7	6.3	2.7	-	4.5	-
Crop Yield Per Acre (Owned):										
Corn, Grain - Bu.	94	89	109	103	104	-	90	108	96	107
Corn Silage - Ton	13.6	13.3	-	11.8	15.8	-	-	-	-	-
Oats - Bu.	60	59	77	69	73	48.9	59	48	-	-
Wheat - Bu.	46	42	52	51	56	40.0	38	37	29	-
Hay - Ton	4.1	4.1	3.8	2.4	4.7	2.0	3.2	1.2	-	-
Pasture - Ton	1.5	1.7	-	-	1.7	.9	-	2.0	-	-
Sugar Beets - Ton	19.3	-	19.3	-	-	-	-	-	-	-
Potatoes - Cwt.	240	-	-	-	-	250	-	241	-	-
Field Beans - Cwt.	13.2	-	12.9	12.4	14.4	-	8.5	7.1	-	-
Soybeans - Bu.	31	-	32	30	33.8	-	31	-	-	-
Apples - Bu.	410	-	-	-	-	-	-	-	-	408
Cherries - Ton	2.6	-	-	-	-	-	-	-	-	2.6
Peaches - Bu.	138	-	-	-	-	-	-	-	-	142
Pears - Bu.	166	-	-	-	-	-	-	-	-	166

DEFINITION OF TERMS USED IN THIS REPORT

General Farm Business Factors

Tillable acre: This includes the land in harvested crops, land devoted to crops that failed, tillable pasture, tillable land reserved for government programs, and idle tillable land.

The number of men: The number of hours of hired labor, operator's labor and family labor divided by 3,000.

Total investment: This is the average inventory value of land, buildings (less the farm dwelling), machinery, livestock, and feed. The inventory value of buildings and machinery is based on cost less depreciation claimed for income tax purposes. Bare land is assigned a conservative market value based on quality.

Crop yields: Telfarmers are asked to estimate the production of each crop. Yield for a crop is the production divided by the acres of the crop planted.

Crop value: This is the production of crops multiplied by the following prices: alfalfa hay, \$45.00 per ton; corn silage, \$17.00 per ton; corn, \$2.40 per bushel; oats, \$1.30 per bushel; barley, \$1.50 per bushel; wheat, \$3.50 per bushel; soybeans, \$6.50 per bushel; navy beans, \$18.00 per cwt.; sugar beets, \$18.50 per ton; and comparable prices for any other crops sold. Each Telfarmer estimated the hay equivalent yield of pastured crops and the value of pasture is figured at one-half of the value of hay. The amount received as agricultural program payments is included as a part of the value of crops. In computing crop value per tillable acre, the total crop value was divided by the total number of tillable acres.

Income Factors

(Does not include landlord's income)

Livestock income: This is computed on the accrual basis. That is, it is the sales less the purchases plus the change in inventory.

Crop income: This is the sales of the crop plus the change in inventory. On feed crops which are fed to livestock, the crop income will sometimes show as a negative figure because the amount fed is not accounted for in computing the income from the individual crop.

Value of farm production: This is cash sales in the farm business minus the purchases of feed, feed crops, and livestock plus the change in inventory of crops and livestock. The allocation of the value of farm production to crops and livestock is explained below.

Value of farm production from livestock: Cash sales of livestock and livestock products minus purchases of livestock minus purchased feed and raised feed fed.

Value of farm production from crops: Cash sales of crops less purchases of feed crops (in dairy reports, feed crops purchased are included with feed purchases) plus raised feed fed to livestock. In dairy reports, the income from custom work and "other" income is credited to crops.

Cost Factors

(Does not include landlord's costs)

Total cost: This is the sum of items listed below. It includes cash expenses and changes in inventory for supply items that are inventories such as power, fuel, fertilizer, pesticides, etc. It also includes noncash costs for operator's and unpaid family labor, depreciation on improvements and machinery, and interest on the owner's equity.

Labor: This includes the cash cost for hired labor including paid perquisites and social security plus the value of operator's and unpaid family labor at \$3.75 per hour.

Power and machinery (sometimes called machinery expense): This includes the following items: repairs and supplies for upkeep on machinery including tractors; repair and upkeep on trucks and farm share of automobiles including fuel for these if so reported; gas, oil, and grease for tractors, custom hire of machinery, depreciation on machinery and interest¹ on investment in machinery.

Improvements: This includes repairs on buildings, fences and wells and bulldozing, cleaning ditches, fence rows, etc. which are classified as conservation expense for income tax purposes. It includes fire and wind insurance premiums, depreciation and interest on improvement investment. Interest on trees is primarily for fruit orchards.

Crop expense: This includes fertilizer, lime, seed and plants, spray materials and herbicides, crop insurance, crop marketing, interest on the crop inventory, and other crop expenses.

Livestock expense: This includes breeding, veterinary and medicine, milk and livestock marketing, milkhous supplies, registration, advertising, heat for livestock buildings, and other livestock service and supply items.

Land charge: This is interest for the investment in land plus taxes paid. Land values are estimated by Extension staff members. An effort is made to keep them comparable between farms. An attempt is made to use an agricultural value and not reflect urban real estate values.

Other expenses: These include utilities and other miscellaneous expenses not included elsewhere.

Earning Factors

(Does not include landlord's earnings)

Management income: Value of farm production less total costs.

Labor income: Management income plus the value of operator's labor.

Rate earned on investment: Management income plus interest on investment divided by the total operator's investment times 100.

¹Interest on total investment is reported in two segments -- interest paid and interest on equity. Interest paid is reported by Telfarmers. The amount of debt is estimated by capitalizing the amount of interest reported at 7.5 percent. The estimated debt is subtracted from the total investment to determine equity. Interest is computed on the equity at 7.5 percent. Interest is allocated to machinery, improvements, land, livestock, and crop and orchard inventory according to investment.

TELFARM SUMMARY REPORTS AVAILABLE

Telfarm summary reports have been published for each of the nine types of farming discussed in this report. These individual reports are available from the County Extension Office or from the Department of Agricultural Economics at Michigan State University. Order reports for 1978 data by number and name as follows:

Ag. Econ. Report No.	355	--	Fruit
	357	--	Cash Grain
	358	--	Saginaw Valley Cash Crop
	361	--	Potato Farms
	360	--	Cattle Feeding
	363	--	Swine
	359	--	Dairy
	362	--	Beef Cow
	356	--	Poultry
	364	--	State Summary

PRICES OF MICHIGAN FARM PRODUCTS AND INPUTS

Product	Unit	1975	1976	1977	1978
<u>Dairy and Poultry</u>					
Detroit milk prices (3.5 butterfat)					
Blend, super pool (0c zone)	\$/cwt.	\$ 8.83	\$ 9.65	\$ 9.50	\$ 10.35
Manufacturing milk	\$/cwt.	7.19	8.25	8.62	9.17
Eggs, all farm	c/doz.	.47	.55	.50	.47
<u>Livestock</u>					
<u>Cattle</u>					
Steers, Choice (900-1100 lb), Detroit	\$/cwt.	44.82	39.32	39.77	51.69
Feeder Steers, Kansas City ^{1/}					
Yearlings, Choice (500-800 lb)	\$/cwt.	34.15	39.74	40.48	58.69
Calves, Choice (300-500 lb)	\$/cwt.	32.60	41.49	44.01	66.68
Barrows & Gilts (200-220 lb), Indianapolis	\$/cwt.	50.63	45.26	42.27	49.20
Lambs, Choice, Michigan Markets	\$/cwt.	43.04	43.87	50.88	61.73
Wool, Michigan Farm	c/lb.	.25	.47	.64	.65
Milk Cows, Michigan Farm	\$/head	438.00	512.00	535.00	584.00
<u>Grain</u>					
Corn	\$/bu.	2.57	2.39	1.92	2.09
Oats	\$/bu.	1.47	1.48	1.51	1.30
Wheat	\$/bu.	3.15	2.93	2.13	3.01
<u>Other Crops</u>					
Hay, baled	\$/ton	45.40	41.46	52.21	54.38
Soybeans	\$/bu.	5.15	5.51	6.71	6.19
Navy beans, C.H.P.	\$/cwt.	17.55	18.14	15.95	16.43
Potatoes	\$/cwt.	6.03	5.23	5.41	4.64
Soybean oil meal, 44, Decatur, IL ^{2/}	\$/ton	124.00	162.58	196.69	172.28

^{1/} Add about \$2.00 to establish the price on these feeder cattle laid down on Michigan farms.

^{2/} Add about \$15.00-\$20.00 per ton to cover handling and transportation to Michigan.